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attribute to it an excess over its actual value measured by  $K$  . . . . .  
 . . . . . And let us suppose, further, that the costs of movement between A and B can be equated to an annual sum, spread over the period during which the unit that has moved may be expected to find profit in staying in its new place. The task of calculating this sum presents some difficulty (p. 114).

The calculation tacitly assumes, among other things, a definite rate of time-discount among necessitous people cut off from the loan market and so ignorant that their "aimless wandering" needs to be prevented by paternal guidance (p. 118). But Professor Pigou himself forgets to subtract the costs of movement from the increased product in estimating society's net gain,<sup>3</sup> being trapped into this error as a punishment for relying on a diagram to *prove* his proposition rather than merely for clearness in presenting it. The facts which are afterward cited as examples would stand stronger alone. This is not the only passage, nor the most extreme, that suggests the caption, "Cubist portrait of an economic man," or where one feels that time has been spent in elaborating doubtful *a priori* explanations for undisputed and very interesting facts.<sup>4</sup> In the matter of railroad rates, again, Professor Pigou maintains that the "cost of service" principle should be more closely followed;—a very commendable thesis, which might be supported by arguments far different from the dialectic exercise with which the author attempts to sweep away the doctrine of "joint cost" (pp. 216-217).

But it is hardly fair thus to present the author at his worst. At his best he puts the reader in his debt for many new outlooks, and he has made an enviably large contribution to dynamic economic theory.

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*Die gegenwärtige Krisis in der deutschen Volkswirtschaftslehre.*

By LUDWIG POHLE. (Leipzig: A Deichert'sche Verlagsbuchhandlung Nachf. 1911. Pp. xiv, 136.)

*Die Volkswirtschaft der Gegenwart und Zukunft.* By JULIUS WOLF. (Leipzig: A Deichert'sche Verlagsbuchhandlung Nachf. 1912. Pp. xiv, 335. 6.50 m.)

These two books are related in that the author of the first is

<sup>3</sup> This may be verified by translating into English speech the diagram on p. 118 and the symbolic conclusions drawn therefrom.

<sup>4</sup> See especially p. 243 ff., and pp. 160 and 217, footnotes.

the present editor of the "*Zeitschrift für Socialwissenschaft*," and the author of the second is the founder and former editor of that periodical; in that these two authors alike represent a minority of German economists who incline to take a position more like that of the older liberal school in England; and in that both authors aim directly and indirectly at a less political, more exactly scientific treatment of economics, than that prevalent in Germany today.

The monograph by Dr. Ludwig Pohle, professor of the *Staatswissenschaften an der Frankfurter Akademie*, is a systematic and detailed arraignment of "socialism of the chair" in Germany. It is a protest against the principle of intervention by the state in private industry so constantly invoked by members of the *Verein für Socialpolitik*. The author charges that the domination of this principle is destructive to the true scientific spirit, and cites a number of examples from current writings both on theoretical and practical questions to support his contention. He declares that at bottom the attacks of the historical school upon deductive economics were prompted by political motives, and yet the critics cannot avoid making use of the method they condemn. The author declares that "the method of the classical political economy is still the classical method of our science." He charges that the monopolistic position of the socialists of the chair in German universities is a threat to the progress of the science and that men of other views and intellectual tendencies are excluded from academic preferment.

It is evident from a note of protest (p. 6) that the group to which the author belongs has been dubbed the "Neo-Manchester-tum." There can be no doubt that there is in Germany now some reaction away from state socialism though it is confined to a small minority of scholars. These are at least performing the service of an alert opposition, subjecting to sharp criticism the utterances of the dominant party, and arguing strongly for the cultivation of a spirit of exact science in place of the blending of ethics and economics which prevails among German economists.

The second book, by Dr. Julius Wolf, professor of the *Staatswissenschaften an der Friedrich-Wilhelms Universität in Breslau*, is a reprint and amplification of a series of lectures delivered before an association of bank officials in Breslau. In semipopular form (measured by the German standard) the lecturer makes clear his attitude toward the method and development of economic study, quite in harmony with the views of Dr. Pohle. Here

is exemplified an enlightened liberalism critical of utopian speculation, but with openness to evidence of the possibilities of social reform. Most American economists will find themselves in pretty close sympathy with the author. The first four chapters deal with the main outlines of the various problems of distribution, without presenting a closely integrated system. The fifth chapter is a review of the contemporary evidence on the growth of population, and concludes that only the backward nations are likely to suffer from a real overpopulation. The author believes he has restated and corrected the doctrine of Malthus. The sixth and last chapter is a criticism of the extravagant hopes and prophecies of social progress. A review of the main features of technical invention leads the author to some forebodings and to a sobering conclusion.

In an appendix are two detailed statistical studies, the one on the relation between the birth-rate and social democracy in the several parts of Germany; the other on the history of land values in Berlin.

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*Der Wandel des Besitzes. Versuch einer Theorie des Reichtums als Organismus.* By EMANUEL SELLA. Authorized translation from the Italian by DR. BLUWSTEIN. (Leipzig: Duncker und Humblot. 1912. Pp. 98. 2.50 m.)

Professor Sella conceives of wealth (*Reichtum*) as a living whole (*ein lebendiges Ganzes*), and his object is to discover the laws of the changes which wealth as an organism undergoes. He regards society as made up of a complex of correlations, of organisms, which in turn are composed of subordinate organisms. Each organism wishes to create for itself the best possible conditions of life and is, in so far, egoistic. But if the manner in which an organism functions is such as to assist a higher organism to achieve its life purpose, then the method of action is designated *meizoflisch*. Economic *meizoflie* is elsewhere defined as a love of expansion manifested by society (*Liebe zum Grössern*, cf. p. 3). This economic *meizoflie*, "love of others," "egoism of society," is regarded as an individual manifestation of a general biological law.

As each generation transfers its wealth to the next one, the diffusion of riches strives to embrace the entire species, this ten-